

16-10a-1602 Inspection of records by shareholders and directors.

- (1) A shareholder or director of a corporation is entitled to inspect and copy, during regular business hours at the corporation's principal office, any of the records of the corporation described in Subsection 16-10a-1601(5) if he gives the corporation written notice of the demand at least five business days before the date on which he wishes to inspect and copy.
- (2) In addition to the rights set forth in Subsection (1), a shareholder or director of a corporation is entitled to inspect and copy, during regular business hours at a reasonable location specified by the corporation, any of the following records of the corporation if the shareholder or director meets the requirements of Subsection (3) and gives the corporation written notice of the demand at least five business days before the date on which he wishes to inspect and copy:
 - (a) excerpts from:
 - (i) minutes of any meeting, records of any action taken by the board of directors, or by a committee of the board of directors while acting on behalf of the corporation in place of the board of directors;
 - (ii) minutes of any meeting of the shareholders;
 - (iii) records of any action taken by the shareholders without a meeting; and
 - (iv) waivers of notices of any meeting of the shareholders, of any meeting of the board of directors, or of any meeting of a committee of the board of directors;
 - (b) accounting records of the corporation; and
 - (c) the record of shareholders described in Subsection 16-10a-1601(3).
- (3) A shareholder or director is entitled to inspect and copy records as described in Subsection (2) only if:
 - (a) the demand is made in good faith and for a proper purpose;
 - (b) the shareholder or director describes with reasonable particularity his purpose and the records he desires to inspect; and
 - (c) the records are directly connected with his purpose.
- (4) For purposes of this section:
 - (a) "proper purpose" means a purpose reasonably related to the demanding shareholder's or director's interest as a shareholder or director; and
 - (b) "shareholder" includes a beneficial owner whose shares are held in a voting trust and any other beneficial owner who establishes beneficial ownership.
- (5) The right of inspection granted by this section may not be abolished by a corporation's articles of incorporation or bylaws.
- (6) This section does not affect:
 - (a) the right of a shareholder or director to inspect records under Section 16-10a-720 or, if the shareholder or director is in litigation with the corporation, to the same extent as any other litigant; or
 - (b) the power of a court, independent of this chapter, to compel the production of corporate records for examination.
- (7) A shareholder or director may not use any information obtained through the inspection or copying of records permitted by Subsection (2) for any purposes other than those set forth in a demand made under Subsection (3).

Enacted by Chapter 277, 1992 General Session